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ABSTRACT

This paper examines the attempts to rebuild downtown Detroit. Two models for redevelopment are examined: (1) the use of private sector investment as exemplified by the Renaissance Center Complex; and (2) the "solidary neighborhood" model, which involves the use of community labor and participation. The "Renaissance model" of redevelopment is criticized for benefiting the economic elite at the public expense through tax subsidies. The paper maintains that this project failed to alleviate the major urban problem of unemployment. Based on a case study, it is suggested that the redevelopment of neighborhoods is best achieved through problem oriented community and church based networks. The "solidary neighborhood" model is needed to enable a community to become more cohesive while maintaining or bettering its quality of life. (Author/APM)

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MODELS OF URBAN REDEVELOPMENT
Renaissance Center or the Solidary Neighborhood

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In Detroit today, unlike ten years ago, a factory worker can go downtown to visit the world's largest hotel, spend money in a "World of Shops," and buy a drink seventy-two floors above the city without fear of being mugged or struck by tumbleweed on downtown's main streets. Henry Ford II's $337 million Renaissance Center has made that possible.

The same person can return home to a neighborhood of vacant lots, deteriorating housing, diminished city services, discouraged neighbors and manufacturing facilities whose future is anything but certain, turn on his or her TV and hear about the rebirth of the city of Detroit.

The fact that our hypothetical factory worker is as likely to turn off the TV with a cynical remark as nod in agreement to the claim of renaissance testifies to the continuation of the much discussed urban crisis.

The urban crisis has been diagnosed by social scientists for over a decade. Fortune magazine presents one analysis:

> The real problem, which is poisoning life in inner cities, involves a small minority among the minorities: the 15 to 20 percent that belongs to a lower class more or less permanently mired in poverty and malaise. As Harvard's Edward C. Banfield pointed out in his seminal book The Unheavenly City, nobody has learned how to change lower-class cultural habits any faster than time and circumstances do naturally (Breckenfeld 1977: 203).

Reminiscent of the culture of poverty explanations Fortune and Banfield accept the political and economic status quo in the U.S. while blaming the urban crisis on the character and behavior

of poor people.

A contrasting analysis presented by the sociologist, Ewen (1978), in Corporate Power and Urban Crisis in Detroit, suggests what lies at the base of the urban crisis:

> It is the inherent contradiction within capitalism between the ever-increasing productivity and potential of the forces of production (new technology, better machines, new uses of resources, new techniques) and the decreasing capacity to distribute what could be potentially produced for the greatest benefit of the general society. . . . The potential of our technology is enormous, but uses for which it has been developed--profit maximization--are increasingly inconsistent with the general needs of society (15-16).

Such divergent analyses predictably generate divergent models in attempting to solve the urban crisis. Research in Detroit has indicated two models currently employed in urban problem-solving. The "Renaissance model" is primarily a capital-intensive approach to urban redevelopment and is subscribed to by the economic elite. The "solidary neighborhood model" is a people-intensive approach to problem-resolution and is subscribed to by numerous activist and neighborhood organizations.

A major feature of the urban crisis is urban joblessness. Research in one plantside community discovered over 25% joblessness at a moment when official unemployment statistics admitted only 16% unemployed in the city's most impacted communities. Employment and unemployment in Detroit is aggravated by the cyclicity of the auto industry. In the aforementioned plantside community one of every five workers draws a paycheck from Chrysler Corporation alone. Between 1970 and 1976, 19% of the city's manufacturing establishments either relocated or went out of business; during the same time

period over 21,000 jobs were lost throughout the metropolitan area. These job losses have been attributed both to mechanical-cybernetic rationalization of industry and to industry relocation in areas of low wages, overseas and in the U.S. South.

Recent city administrations have addressed the question of job-loss by attempting to create a favorable climate for business in the city in hopes of retaining and adding jobs. Private sector investment is the cornerstone of these attempts. It is the cornerstone of the "Renaissance model" as explained by Baba (1978):

> The "central dogma" of our model states that private investment can create the conditions that will generate more jobs in the Detroit area, thus setting the basis for an impovement in the quality of life in Detroit, something that publically funded urban renewal programs have failed to do (12).

Construction of the Renaissance Center, Detroit's riverfront complex of hotel, office buildings, shopping mall, and restaurants, has been acclaimed as the single most important development in Detroit's renewal. Henry Ford II was lauded for taking such a risk in a stagnant area of what was then called "Murder City" in order to help Detroiters. Critics point out that less than two thousand new jobs resulted from the development of Renaissance Center (Baba: 18); many of the jobs were dead-end service jobs filled by laid-off employees of other unsuccessful Detroit hotels. Workers who hired on at Renaissance Center following lay-offs in the auto industry are payed a fraction of their former wages.

The risk which Ford and the investment associates took was not without safeguards. Tax monies amounting to $115 million were committed to development of the immediate downtown area (Civic Center Plaza projects, Downtown Trolley, Riverfront Arena among

others). Critics of the "Renaissance model" label this public financing of private risk.

Investment in manufacturing facilities has been stimulated in Michigan through Public Act 198 of 1974. This state law, similar to those of other states, provides for the elimination of state property tax for firms awarded an industrial facilities exemption certificate by thier local government. The Detroit Common Council has been generous in awarding over 100 exemption certificates since 1974. Recipients of the certificates are forgiven 50% of their tax burden for up to 12 years. The City's willingness to forgive taxes anticipates a growth in the labor force and in the number of firms operating in the city. Many manufacturers win the tax concessions by threatening to relocate to other states. While this refined economic blackmail has accrued benefits to numerous corporations the City's coffers are emptying and the increase in new jobs has been paltry. (Appendix A shows that only one new job is created for each $281,881 invested by the city's largest participating manufacturers.) While the Act was designed to help the small manufacturer in particular, it has been the major auto corporations which have taken advantage of it the most, prompting the following critique from Michigan's Office of Revenue and Tax Analysis:

> As use of the act expands in relation to total investment in Michigan, it will be more difficult for its advocates to claim the program is cost effective; the cost of the exemptions granted to businesses that would have expanded in Michigan anyway will begin to outweigh the economic gains from firms that were encouraged by the tax incentive to expand in the state (Kleine 1979: 7).

In one year alone in Detroit $2.7 million in taxes were not

collected because of Public Act 198 (Detroit News 1979: 2B). The "Renaissance model" suggests urban redevelopment based on a cost-benefit analysis. It would appear that the benefits redound to the corporations while the costs are absorbed by the citizenry.

Since the great recession of 1974-1975 the quality of life for Detroiters has, in certain areas, declined substantially. Part of this may be attributable to the very actions taken to revitalize the city. The Detroit Free Press (1979) describes the city's precarious position. The city faces a $69.7 million budget deficit. The Mayor has scheduled lay-offs of 907 city employees, including 400 police. City revenues depend 42% on federal grants as opposed to 32% in 1975. (Should President Carter--whom Detroit's Mayor Young supports--not be re-elected in 1980 the flow of federal monies to the city might be in jeopardy.)

Since the beginning of the decade the city's population has fallen 18.7%, however city services have fallen at a faster rate, especially since 1974. Bus ridership is down 32.4%; the city's rat inspectors baited 41% fewer buildings in 1978 compared to 1973; trash collectors covered 50% fewer routes in 1978 compared to 1972. The Detroit General Hospital is closing and a new facility to replace it will not be under jurisdiction of the city charter which mandated the old hospital to provide care for all patients regardless of their ability to pay. In addition hospital workers anticipate a cut-back in the number of jobs at the new hospital.

Compared to the winter of 1973-1974, city crews dumped 31% less salt in the same number of snow removal runs--the weather was

comparable in the two winters. The police duty roster in 1973 was 5,570 covering 745,000 runs. In 1979, 5230 persons cover 820,000 runs. In 1973 the city's library system included 29 branches, today 26 branches operate and each month two branches are closed on a rotating basis in order to stay in budget (Detroit Free Press 1979: 17A).

As in other cities, Detroit's residents bear the burden of fewer services and higher taxes. The City is not without promises for improvement of the neighborhoods in the future, however. Recent history indicates that those promises and plans are slow to bear fruit, at best. The Detroit Master Plan and the 1990 Plan, both authored in the 1960s, projected massive physical redevelopment of the city. As 1980 approaches a glance at a Detroit urban redevelopment map (see Appendix B) shows that virtually the only neighborhoods participating in the community development block grant program are those which happen to be located within the Grand Boulevard arch or along the riverfront. (Grand Boulevard forms a perimeter around the downtown area about three miles out.)

Although many other neighborhoods in the city are blighted and may have community organizations anxious to participate in the renewal programs, it appears that if their location is not strategic according the master plans little assistance is ever offered. Tax dollars in the form of block grant funds have gone toward demolishing the housing of the blighted core-city neighborhoods, the building of new housing attractive to the professionals who might

work in the expanded research facilities or medical and governmental complexes recently erected within the Grand Boulevard arch.

The script which seems to have been written by the city's planners and corporate interests is to level, if neccessary, any desirable property within the Boulevard at public expense, promise the the development of low-cost and subsidized housing to the dislocated, allow the land to lie fallow for as much as ten years during which time land values soar, and then construct either facilities directly related to Detroit's new commercial-convention focus or housing, the cost of which is prohibitive to those who used to live there and, instead, market the new units to professionals who can afford the high rents or fat mortgages. That process has aptly been labelled, gentrification.

Citizen discontent over the lack of redevelopment and the type of redevelopment has been a major feature of the urban crisis for more than ten years. Community organizations have been formed in advocacy of neighborhood interests; their tactics have ranged from supplicatory to militant. Since the uprisings of 1967 concern with any civil unrest has been enormous. The city fathers are extremely sensitive to the effect unrest might have on the business climate they have attempted to create. The city has attempted to channel citizen concern into duly recognized citizen district councils, whose budgets are controlled by the Community and Economic Development Department. Genuine citizen participation in the councils has been more successful in some areas than others. Activists throughout the city profess great frustration at effectively using the councils to further community interests. Wittingly or unwittingly, the city has

fashioned a vehicle, not only of physical redevelopment, but also of social containment through the councils. Some say that is the intended effect.

Community organizers and applied social scientists who assign primary importance to community, rather than private sector, interests recognize the limitations of community participation in the "Renaissance model" of redevelopment. Further hindering that participation are the very divisions and contradictions internal to the community. In the plantside community of reference, for example, age, color, or religious divisions assert themselves at the expense of community cohesion--a cohesion born in the common desire for a "community that works." The "solidary neighborhood" model presents a compatible framework for action-intensive community organization.

The model is simple. It is a format by which a community, by recognizing its own points of stress and affinity, becomes more cohesive in the process of waging a defensive struggle to maintain or better its quality of life against the forces of "external enemies" common to the whole community. Cohen's (1968) discussion of segmentary opposition among tribal societies sheds light on the practicability of the "solidary neighborhood" model:

> The level of political consolidation contracts and expands: primary segments that unite to attack or repel an enemy at one time may fragment into feuding factions at another, quareling over land or over personal injuries. Moreover, the degree to which political consolidation proceeds typically depends on circumstances <u>external</u> to the tribe itself. The existence of a well-organized predatory neighbor, or, conversely, the opportunity to prey upon a nearby society, will give impetus to confederation (207).

Detroit communities, such as the plantside community studied, are not beset by territorial predators as such but the analogy is

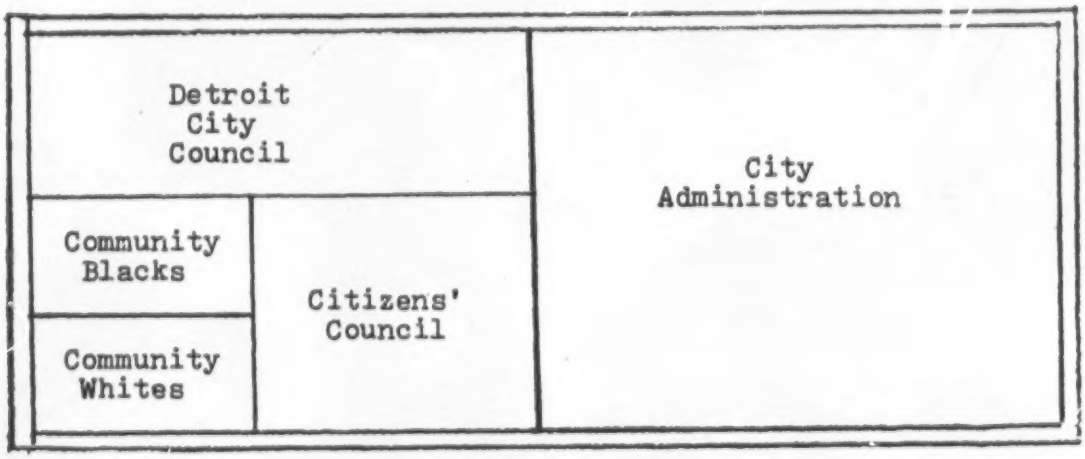
useful. In the eyes of the community "predating" institutions--industrials, banks, utilities--are fattened off the sweat and savings of the community's populace. Research indicated a significant level of class consciousness in the plantside community. Fifty-nine percent of the respondents in a five percent sample survey indicated they would picket a neighborhood bank guilty of mortgage redlining; 75% would, reportedly, rally against the school board to maintain school programs, and 80% would petition Chrysler Corporation to keep its facilities open in the community. The automaker was threatening to close its assembly plant which employed some 5000 workers.

The "solidary neighborhood" model draws on this class consciousness to close the fissures of nationality and color. Whites and Blacks in the plantside community are sometimes found in opposition to each other. Chauvinist attitudes may label the opposite group as the source of the community's problems. However, in practice, both Blacks and Whites occasionally find common ground in complaining of the effectiveness--or ineffectiveness--of the locally elected citizens' council that "doesn't do anything with all that money it gets." When in the position to challenge the Detroit Common Council, the community borders on the monolithic in demanding "Where is our promised housing?", or "Where is the business strip development?", or "Where are our community funds which you earmarked but did not distribute?" A mass community meeting held in winter 1979 is an example of the pressure that can be generated from the coalition of segments.

Black andwhite community members backed the community council in pressuring the City Council and the City Council members who were

present blocked with the community representatives and confronted the mayoral appointees who administer the departments responsible for the inaction on community projects. The various segments--individual community groupings, elected Board, and City Council--found common enemy in the bureaucratic intransigence of the City Administration. (See figure 1.) The meeting provided a temporary glue for the various segments; it is a reference point for continued joint action between the diverse forces, who on other issues may oppose each other.

Figure 1. Segmentary opposition in a Detroit plantside community. Source: Bolger (1979: 262).



The "solidary neighborhood" model promotes the strength available from such tactical alliances and understands that the more successfully, outwardly-focused the community's energies are, the less likely is solidarity to crumble from internal pressures.

This meeting and the displays of community unity are credited,

in part, with a speed-up in the city's action on the community housing project. Inter-group relations at the community level have improved.

The "solidary neighborhood" model, though, is undersubscribed for a variety of reasons. It requires involvement of numbers of people. Many frustrated community leaders prefer to leave negotiations up to certain recognized experts rather than mobilize their people to exert pressure. Secondly, the "solidary neighborhood" model is short-circuited by active co-optation on the part of the City which attempts to steer community leaders away from confrontative tactics to deliberative ones. Thirdly, a backlash is feared from corporate or city forces that might further weaken communities; for example, certain officials recommend that communities refrain from any demands on Chrysler Corporation lest it retaliate with additional plant-closings. And finally, the "solidary neighborhood" model is a potential threat to the status quo. While the "Renaissance model" has been dubbed "socialism for the rich, capitalism for the poor," the "solidary neighborhood" model has been called communistic for its insistence at placing "people before profits." In fact, the model does lead to a critique of the capitalist system as a whole. In the short run, its ability to coalesce people of different social categories on the basis of class consciousness is timely insofar as periods of social and economic crisis tend to internally fragment the working class and identify scapegoats not of the economic elite.

While effective implementation of the "solidary neighborhood" model would yield relatively limited results in the revitalization

of the cities compared to the benefits derived from a repeal of anti-labor legislation such as the Taft-Hartley "right-to-work" provisions which help to maintain low-wage areas which stimulate the flight of industry from older northern cities, the model is a step in the direction of urban redevelopment for the grassroots.

APPENDIX A

Detroit Firms expanding or rehabilitating under terms of Public Act 198; corporate rank; dollar investment; pre and post-investment workforce. Ten largest in order of investment commitment.

Company and Fortune 500 rank		Dollar Investment	# Jobs before	# Jobs after
International Minerals & Chemicals	195	$ 3,800,000	60	60
General Motors, Cadillac Division	1	$ 4,650,000	10,000	10,017
Chrysler Corporation, Mack Ave. Stamping plant	10	$48,914,000	5,000	5,000
Farm Crest (Ward Baking)	433	$ 5,800,000	289	300
Massey-Ferguson*	(86)	$16,600,000	2,200	2,700
Allied Chemical	80	$30,139,000	400	400
Chrysler Corporation, Mound Rd. Engine plant	10	$60,320,760	3,000	3,184
Braun Engineering	-	$10,000,000	283	365
Detroit Free Press	-	$37,000,000	1,700	1,700
Detroit Lime	-	$ 8,000,000	35	40
TOTALS		$225,223,760	22,967	23,766

New jobs.....799
% Increase in workforce of top ten firms..... 3.4%

* Massey-Ferguson ranks 86th on the Fortune 500 list of largest companies abroad; its headquarters are in Canada.

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